

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re: W.R. GRACE & CO., et al., Debtors.	§ § § § § §	Chapter 11 Jointly Administered Case No. 01-01139 (JKF)
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**FEE AUDITOR'S FINAL REPORT REGARDING
THIRTEENTH INTERIM QUARTERLY FEE APPLICATION OF
CONWAY, DEL GENIO, GRIES & CO., LLC**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Thirteenth Interim Quarterly Fee Application of Conway, Del Genio, Gries & Co., LLC (the "Application").

BACKGROUND

1. Conway, Del Genio, Gries & Co., LLC ("CDG"), was retained as financial advisor to the Official Committee of Asbestos Property Damage Claimants. In the Application, CDG seeks approval of fees totaling \$150,000.00 and costs totaling \$222.33 for its services from April 1, 2004, through June 30, 2004.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application. We reviewed the Application for compliance with 11 U.S.C. §330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed

Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. We have no objections to the Application, and thus we did not send an initial report to CDG.

DISCUSSION

3. We note that CDG states in a footnote to Paragraph 21 in its application that "CDG is currently engaged by the PD Committee at a flat fee of \$100,000 per month plus expenses. However, due to a decrease in the activity level of the case, CDG has voluntarily reduced its fees to \$50,000 per month for the period April 2004 through June 2004. Therefore, for the Compensation Period, total fees for services provided are \$150,000."

4. We note that CDG recorded a total of 177.5 hours for the three months covering this application period (the "Compensation Period"). CDG was paid \$150,000 during the Compensation Period, which calculates to an effective hourly rate of \$845.07 per hour.

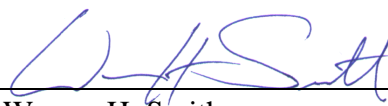
5. We have no objections to any of the expenses sought by CDG.

CONCLUSION

6. Thus, we recommend approval of fees totaling \$150,000.00 and costs totaling \$222.33 for CDG's services from April 1, 2004, through June 30, 2004.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.


By: 
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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 17th day of November, 2004.


Warren H. Smith

SERVICE LIST

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